

## **Senate Bill No. 1510**

### **CHAPTER 620**

An act to amend Section 1936 of the Civil Code, and to amend Sections 170010, 170011, 170013, 170016, 170017, and 170018 of, and to add Sections 170035 and 170036 to, the Public Utilities Code, relating to airports.

[Approved by Governor September 30, 2008. Filed with  
Secretary of State September 30, 2008.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 1510, Kehoe. San Diego County Regional Airport Authority.

(1) The San Diego County Regional Airport Authority Act establishes the authority as a local entity of regional government with jurisdiction throughout the County of San Diego. The act establishes a board of directors as the governing body of the authority and assigns various powers and duties to the authority regarding the establishment and operation of airports within the county, designates the authority as the entity responsible for coordinating the airport planning of public agencies within the county, and requires the authority to prepare, adopt, and amend an airport land use compatibility plan for each airport in the county utilizing a public collaborative planning process. The act provides for the compensation of members of the board of directors and prohibits a board member from receiving any benefits pursuant to certain provisions of the Government Code that provide a uniform limit on the health and welfare benefits for members of the legislative bodies of all political subdivisions of the state.

This bill would make clarifying changes to how the board is selected and would prohibit a board member from receiving, in compensation, any benefits permitted to be paid to a member of a legislative body pursuant to the above-described Government Code provisions, but would not prohibit a board member from electing to participate in a plan of health and welfare benefits if the costs are paid by the board member and the authority incurs no expense other than those expenses associated with processing the board member's participation, as a result of the election by the board member. The bill would revise how a 3-person executive committee of the board is selected, would clarify certain compensation provisions pertaining to the board, and would clarify how the terms of the public members of the audit committee of the board would be staggered.

Existing law authorizes the board of directors to adopt and enforce rules and regulations for the administration, maintenance, operation, and use of its facilities and services and makes any person who violates a rule, regulation, or ordinance adopted by the board guilty of a misdemeanor or an infraction.

This bill would authorize the authority to enforce a rule, regulation, or ordinance in an administrative action and would authorize the imposition of a civil penalty in that action if a violation is found to have occurred.

(2) Existing law specifies the rights and duties of persons who find lost money or goods of another or who, either voluntarily or involuntarily, are the depositories of the money or goods of another. Existing law authorizes any public agency to elect to be governed by these provisions of law with respect to disposition of personal property or to adopt reasonable regulations for the care, restitution, sale, or destruction of unclaimed property in its possession.

This bill would authorize the authority to act as a city police department, city, local government, or public agency for these purposes.

(3) Existing law governs contracts between rental car companies and their customers. Existing law authorizes a company that rents passenger vehicles to the public to collect a customer facility charge, which is defined to mean a fee that is required by an airport to be collected for specified purposes, if specified circumstances apply, including that the collection of the fee is required by an airport operated by a city, a county, a city and county, a joint powers district, or a special district.

This bill would, in addition, authorize collection of the customer facility charge if collection of the fee is required by the San Diego County Regional Airport Authority. The bill would incorporate additional changes in Section 1936 of the Civil Code made by AB 2142 (Ch. 228, Stats. 2008).

*The people of the State of California do enact as follows:*

SECTION 1. Section 1936 of the Civil Code is amended to read:

1936. (a) For the purpose of this section, the following definitions shall apply:

(1) “Rental company” means a person or entity in the business of renting passenger vehicles to the public.

(2) “Renter” means any person in a manner obligated under a contract for the lease or hire of a passenger vehicle from a rental company for a period of less than 30 days.

(3) “Authorized driver” means (A) the renter, (B) the renter’s spouse if that person is a licensed driver and satisfies the rental company’s minimum age requirement, (C) the renter’s employer or coworker if he or she is engaged in business activity with the renter, is a licensed driver, and satisfies the rental company’s minimum age requirement, and (D) a person expressly listed by the rental company on the renter’s contract as an authorized driver.

(4) (A) “Customer facility charge” means a fee required by an airport to be collected by a rental company from a renter for either of the following purposes:

(i) To finance, design, and construct consolidated airport car rental facilities.

(ii) To finance, design, construct, and provide common use transportation systems that move passengers between airport terminals and those consolidated car rental facilities.

(B) The aggregate amount to be collected shall not exceed the reasonable costs, as determined by an independent audit paid for by the airport, to finance, design, and construct those facilities. Copies of the audit shall be provided to the Assembly and Senate Committees on Judiciary, the Assembly Committee on Transportation, and the Senate Committee on Transportation and Housing. In the case of a transportation system, the audit also shall consider the reasonable costs of providing the transit system or busing network. At the Burbank Airport, and at all other airports, the fees designated as a customer facility charge shall not be used to pay for terminal expansion, gate expansion, runway expansion, changes in hours of operation, or changes in the number of flights arriving or departing from the airport.

(C) Except as provided in subparagraph (D), the authorization given pursuant to this section for an airport to impose a customer facility charge shall become inoperative when the bonds used for financing are paid.

(D) If a bond or other form of indebtedness is not used for financing, or the bond or other form of indebtedness used for financing has been paid, the Oakland International Airport may require the collection of a customer facility charge for a period of up to 10 years from the imposition of the charge for the purposes allowed by, and subject to the conditions imposed by, this section.

(5) “Damage waiver” means a rental company’s agreement not to hold a renter liable for all or any portion of any damage or loss related to the rented vehicle, any loss of use of the rented vehicle, or any storage, impound, towing, or administrative charges.

(6) “Electronic surveillance technology” means a technological method or system used to observe, monitor, or collect information, including telematics, Global Positioning System (GPS), wireless technology, or location-based technologies. “Electronic surveillance technology” does not include event data recorders (EDR), sensing and diagnostic modules (SDM), or other systems that are used either:

(A) For the purpose of identifying, diagnosing, or monitoring functions related to the potential need to repair, service, or perform maintenance on the rental vehicle.

(B) As part of the vehicle’s airbag sensing and diagnostic system in order to capture safety systems-related data for retrieval after a crash has occurred or in the event that the collision sensors are activated to prepare the decisionmaking computer to make the determination to deploy or not to deploy the airbag.

(7) “Estimated time for replacement” means the number of hours of labor, or fraction thereof, needed to replace damaged vehicle parts as set forth in collision damage estimating guides generally used in the vehicle repair business and commonly known as “crash books.”

(8) “Estimated time for repair” means a good faith estimate of the reasonable number of hours of labor, or fraction thereof, needed to repair damaged vehicle parts.

(9) “Membership program” means a service offered by a rental company that permits customers to bypass the rental counter and go directly to the car previously reserved. A membership program shall meet all of the following requirements:

(A) The renter initiates enrollment by completing an application on which the renter can specify a preference for type of vehicle and acceptance or declination of optional services.

(B) The rental company fully discloses, prior to the enrollee’s first rental as a participant in the program, all terms and conditions of the rental agreement as well as all required disclosures.

(C) The renter may terminate enrollment at any time.

(D) The rental company fully explains to the renter that designated preferences, as well as acceptance or declination of optional services, may be changed by the renter at any time for the next and future rentals.

(E) An employee designated to receive the form specified in subparagraph (C) of paragraph (1) of subdivision (t) is present at the lot where the renter takes possession of the car, to receive any change in the rental agreement from the renter.

(10) “Passenger vehicle” means a passenger vehicle as defined in Section 465 of the Vehicle Code.

(b) Except as limited by subdivision (c), a rental company and a renter may agree that the renter will be responsible for no more than all of the following:

(1) Physical or mechanical damage to the rented vehicle up to its fair market value, as determined in the customary market for the sale of that vehicle, resulting from collision regardless of the cause of the damage.

(2) Loss due to theft of the rented vehicle up to its fair market value, as determined in the customary market for the sale of that vehicle, provided that the rental company establishes by clear and convincing evidence that the renter or the authorized driver failed to exercise ordinary care while in possession of the vehicle. In addition, the renter shall be presumed to have no liability for any loss due to theft if (A) an authorized driver has possession of the ignition key furnished by the rental company or an authorized driver establishes that the ignition key furnished by the rental company was not in the vehicle at the time of the theft, and (B) an authorized driver files an official report of the theft with the police or other law enforcement agency within 24 hours of learning of the theft and reasonably cooperates with the rental company and the police or other law enforcement agency in providing information concerning the theft. The presumption set forth in this paragraph is a presumption affecting the burden of proof which the rental company may rebut by establishing that an authorized driver committed, or aided and abetted the commission of, the theft.

(3) Physical damage to the rented vehicle up to its fair market value, as determined in the customary market for the sale of that vehicle, resulting

from vandalism occurring after, or in connection with, the theft of the rented vehicle. However, the renter shall have no liability for any damage due to vandalism if the renter would have no liability for theft pursuant to paragraph (2).

(4) Physical damage to the rented vehicle up to a total of five hundred dollars (\$500) resulting from vandalism unrelated to the theft of the rented vehicle.

(5) Actual charges for towing, storage, and impound fees paid by the rental company if the renter is liable for damage or loss.

(6) An administrative charge, which shall include the cost of appraisal and all other costs and expenses incident to the damage, loss, repair, or replacement of the rented vehicle.

(c) The total amount of the renter's liability to the rental company resulting from damage to the rented vehicle shall not exceed the sum of the following:

(1) The estimated cost of parts which the rental company would have to pay to replace damaged vehicle parts. All discounts and price reductions or adjustments that are or will be received by the rental company shall be subtracted from the estimate to the extent not already incorporated in the estimate, or otherwise promptly credited or refunded to the renter.

(2) The estimated cost of labor to replace damaged vehicle parts, which shall not exceed the product of (A) the rate for labor usually paid by the rental company to replace vehicle parts of the type that were damaged and (B) the estimated time for replacement. All discounts and price reductions or adjustments that are or will be received by the rental company shall be subtracted from the estimate to the extent not already incorporated in the estimate, or otherwise promptly credited or refunded to the renter.

(3) (A) The estimated cost of labor to repair damaged vehicle parts, which shall not exceed the lesser of the following:

(i) The product of the rate for labor usually paid by the rental company to repair vehicle parts of the type that were damaged and the estimated time for repair.

(ii) The sum of the estimated labor and parts costs determined under paragraphs (1) and (2) to replace the same vehicle parts.

(B) All discounts and price reductions or adjustments that are or will be received by the rental company shall be subtracted from the estimate to the extent not already incorporated in the estimate, or otherwise promptly credited or refunded to the renter.

(4) For the purpose of converting the estimated time for repair into the same units of time in which the rental rate is expressed, a day shall be deemed to consist of eight hours.

(5) Actual charges for towing, storage, and impound fees paid by the rental company.

(6) The administrative charge described in paragraph (6) of subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total estimated cost for parts and labor is more than one hundred dollars (\$100) up to and including five hundred dollars (\$500), (B) one hundred dollars (\$100) if the total

estimated cost for parts and labor exceeds five hundred dollars (\$500) up to and including one thousand five hundred dollars (\$1,500), and (C) one hundred fifty dollars (\$150) if the total estimated cost for parts and labor exceeds one thousand five hundred dollars (\$1,500). An administrative charge shall not be imposed if the total estimated cost of parts and labor is one hundred dollars (\$100) or less.

(d) (1) The total amount of an authorized driver's liability to the rental company, if any, for damage occurring during the authorized driver's operation of the rented vehicle shall not exceed the amount of the renter's liability under subdivision (c).

(2) A rental company shall not recover from the renter or other authorized driver an amount exceeding the renter's liability under subdivision (c).

(3) A claim against a renter resulting from damage or loss, excluding loss of use, to a rental vehicle shall be reasonably and rationally related to the actual loss incurred. A rental company shall mitigate damages where possible and shall not assert or collect a claim for physical damage which exceeds the actual costs of the repairs performed or the estimated cost of repairs, if the rental company chooses not to repair the vehicle, including all discounts and price reductions. However, if the vehicle is a total loss vehicle, the claim shall not exceed the total loss vehicle value established in accordance with procedures that are customarily used by insurance companies when paying claims on total loss vehicles, less the proceeds from salvaging the vehicle, if those proceeds are retained by the rental company.

(4) If insurance coverage exists under the renter's applicable personal or business insurance policy and the coverage is confirmed during regular business hours, the renter may require that the rental company submit any claims to the renter's applicable personal or business insurance carrier. The rental company shall not make any written or oral representations that it will not present claims or negotiate with the renter's insurance carrier. For purposes of this paragraph, confirmation of coverage includes telephone confirmation from insurance company representatives during regular business hours. Upon request of the renter and after confirmation of coverage, the amount of claim shall be resolved between the insurance carrier and the rental company. The renter shall remain responsible for payment to the rental car company for any loss sustained that the renter's applicable personal or business insurance policy does not cover.

(5) A rental company shall not recover from the renter or other authorized driver for an item described in subdivision (b) to the extent the rental company obtains recovery from another person.

(6) This section applies only to the maximum liability of a renter or other authorized driver to the rental company resulting from damage to the rented vehicle and not to the liability of another person.

(e) (1) Except as provided in subdivision (f), a damage waiver shall provide or, if not expressly stated in writing, shall be deemed to provide that the renter has no liability for a damage, loss, loss of use, or a cost or expense incident thereto.

(2) Except as provided in subdivision (f), every limitation, exception, or exclusion to a damage waiver is void and unenforceable.

(f) A rental company may provide in the rental contract that a damage waiver does not apply under any of the following circumstances:

(1) Damage or loss results from an authorized driver's (A) intentional, willful, wanton, or reckless conduct, (B) operation of the vehicle under the influence of drugs or alcohol in violation of Section 23152 of the Vehicle Code, (C) towing or pushing anything, or (D) operation of the vehicle on an unpaved road if the damage or loss is a direct result of the road or driving conditions.

(2) Damage or loss occurs while the vehicle is (A) used for commercial hire, (B) used in connection with conduct that could be properly charged as a felony, (C) involved in a speed test or contest or in driver training activity, (D) operated by a person other than an authorized driver, or (E) operated outside the United States.

(3) An authorized driver who has (A) provided fraudulent information to the rental company, or (B) provided false information and the rental company would not have rented the vehicle if it had instead received true information.

(g) (1) A rental company that offers or provides a damage waiver for any consideration in addition to the rental rate shall clearly and conspicuously disclose the following information in the rental contract or holder in which the contract is placed and, also, in signs posted at the place, such as the counter, where the renter signs the rental contract, and, for renters who are enrolled in the rental company's membership program, in a sign that shall be posted in a location clearly visible to those renters as they enter the location where their reserved rental cars are parked or near the exit of the bus or other conveyance that transports the enrollee to a reserved car: (A) the nature of the renter's liability, e.g., liability for all collision damage regardless of cause, (B) the extent of the renter's liability, e.g., liability for damage or loss up to a specified amount, (C) the renter's personal insurance policy or the credit card used to pay for the car rental transaction may provide coverage for all or a portion of the renter's potential liability, (D) the renter should consult with his or her insurer to determine the scope of insurance coverage, including the amount of the deductible, if any, for which the renter is obligated, (E) the renter may purchase an optional damage waiver to cover all liability, subject to whatever exceptions the rental company expressly lists that are permitted under subdivision (f), and (F) the range of charges for the damage waiver.

(2) In addition to the requirements of paragraph (1), a rental company that offers or provides a damage waiver shall orally disclose to all renters, except those who are participants in the rental company's membership program, that the damage waiver may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance. The renter's receipt of the oral disclosure shall be demonstrated through the renter's acknowledging receipt of the oral disclosure near that part of the contract where the renter indicates, by the renter's own initials, his or her

acceptance or declination of the damage waiver. Adjacent to that same part, the contract also shall state that the damage waiver is optional. Further, the contract for these renters shall include a clear and conspicuous written disclosure that the damage waiver may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance.

(3) The following is an example, for purposes of illustration and not limitation, of a notice fulfilling the requirements of paragraph (1) for a rental company that imposes liability on the renter for collision damage to the full value of the vehicle:

#### NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY AND OPTIONAL DAMAGE WAIVER

You are responsible for all collision damage to the rented vehicle even if someone else caused it or the cause is unknown. You are responsible for the cost of repair up to the value of the vehicle, and towing, storage, and impound fees.

Your own insurance, or the issuer of the credit card you use to pay for the car rental transaction, may cover all or part of your financial responsibility for the rented vehicle. You should check with your insurance company, or credit card issuer, to find out about your coverage and the amount of the deductible, if any, for which you may be liable.

Further, if you use a credit card that provides coverage for your potential liability, you should check with the issuer to determine if you must first exhaust the coverage limits of your own insurance before the credit card coverage applies.

The rental company will not hold you responsible if you buy a damage waiver. But a damage waiver will not protect you if (list exceptions).

(A) When the above notice is printed in the rental contract or holder in which the contract is placed, the following shall be printed immediately following the notice:

“The cost of an optional damage waiver is \$\_\_\_\_\_ for every (day or week).”

(B) When the above notice appears on a sign, the following shall appear immediately adjacent to the notice:

“The cost of an optional damage waiver is \$\_\_\_\_\_ to \$\_\_\_\_\_ for every (day or week), depending upon the vehicle rented.”

(h) Notwithstanding any other provision of law, a rental company may sell a damage waiver subject to the following rate limitations for each full or partial 24-hour rental day for the damage waiver.

(1) For rental vehicles that the rental company designates as an “economy car,” “subcompact car,” “compact car,” or another term having similar meaning when offered for rental, or another vehicle having a manufacturer’s suggested retail price of nineteen thousand dollars (\$19,000) or less, the rate shall not exceed nine dollars (\$9).

(2) For rental vehicles that have a manufacturer’s suggested retail price from nineteen thousand one dollars (\$19,001) to thirty-four thousand nine hundred ninety-nine dollars (\$34,999), inclusive, and that are also either



vehicles of next year's model, or not older than the previous year's model, the rate shall not exceed fifteen dollars (\$15). For those rental vehicles older than the previous year's model-year, the rate shall not exceed nine dollars (\$9).

(i) The manufacturer's suggested retail prices described in subdivision (h) shall be adjusted annually to reflect changes from the previous year in the Consumer Price Index. For the purposes of this section, "Consumer Price Index" means the United States Consumer Price Index for All Urban Consumers, for all items.

(j) A rental company that disseminates in this state an advertisement containing a rental rate shall include in that advertisement a clearly readable statement of the charge for a damage waiver and a statement that a damage waiver is optional.

(k) (1) A rental company shall not require the purchase of a damage waiver, optional insurance, or another optional good or service.

(2) A rental company shall not engage in any unfair, deceptive, or coercive conduct to induce a renter to purchase the damage waiver, optional insurance, or another optional good or service, including conduct such as, but not limited to, refusing to honor the renter's reservation, limiting the availability of vehicles, requiring a deposit, or debiting or blocking the renter's credit card account for a sum equivalent to a deposit if the renter declines to purchase the damage waiver, optional insurance, or another optional good or service.

(l) (1) In the absence of express permission granted by the renter subsequent to damage to, or loss of, the vehicle, a rental company shall not seek to recover any portion of a claim arising out of damage to, or loss of, the rented vehicle by processing a credit card charge or causing a debit or block to be placed on the renter's credit card account.

(2) A rental company shall not engage in any unfair, deceptive, or coercive tactics in attempting to recover or in recovering on any claim arising out of damage to, or loss of, the rented vehicle.

(m) (1) A customer facility charge may be collected by a rental company under the following circumstances:

(A) Collection of the fee by the rental company is required by an airport operated by a city, a county, a city and county, a joint powers authority, a special district, or the San Diego County Regional Airport Authority formed pursuant to Division 17 (commencing with Section 170000) of the Public Utilities Code.

(B) The fee is calculated on a per-contract basis.

(C) The fee is a user fee, not a tax imposed upon real property or an incidence of property ownership under Article XIII D of the California Constitution.

(D) Except as otherwise provided in subparagraph (E), the fee shall be ten dollars (\$10) per contract.

(E) If the fee imposed by the airport is for both a consolidated rental car facility and a common-use transportation system, the fee collected from customers of on-airport rental car companies shall be ten dollars (\$10), but

the fee imposed on customers of off-airport rental car companies who are transported on the common-use transportation system is proportionate to the costs of the common-use transportation system only. The fee is uniformly applied to each class of on-airport or off-airport customers, provided the airport requires off-airport customers to use the common-use transportation system.

(F) Revenues collected from the fee do not exceed the reasonable costs of financing, designing, constructing, or operating the facility or transportation services and shall not be used for any other purpose.

(G) The fee is separately identified on the rental agreement.

(H) This paragraph does not apply to airports the fees of which are governed by Section 50474.1 of the Government Code or Section 57.5 of the San Diego Unified Port District Act.

(2) Notwithstanding any other provision of law, including, but not limited to, Part 1 (commencing with Section 6001) to Part 1.7 (commencing with Section 7280), inclusive, of Division 2 of the Revenue and Taxation Code, the fees collected pursuant to this section, or another law whereby a local agency operating an airport requires a rental car company to collect a facility financing fee from its customers, are not subject to sales, use, or transaction taxes.

(n) (1) A rental company shall only advertise, quote, and charge a rental rate that includes the entire amount except taxes, a customer facility charge, if any, and a mileage charge, if any, that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies. A rental company shall not charge in addition to the rental rate, taxes, a customer facility charge, if any, and a mileage charge, if any, any fee that is required to be paid by the renter as a condition of hiring or leasing the vehicle, including, but not limited to, required fuel or airport surcharges other than customer facility charges, nor a fee for transporting the renter to the location where the rented vehicle will be delivered to the renter.

(2) In addition to the rental rate, taxes, customer facility charges, if any, and mileage charges, if any, a rental company may charge for an item or service provided in connection with a particular rental transaction if the renter could have avoided incurring the charge by choosing not to obtain or utilize the optional item or service. Items and services for which the rental company may impose an additional charge include, but are not limited to, optional insurance and accessories requested by the renter, service charges incident to the renter's optional return of the vehicle to a location other than the location where the vehicle was hired or leased, and charges for refueling the vehicle at the conclusion of the rental transaction in the event the renter did not return the vehicle with as much fuel as was in the fuel tank at the beginning of the rental. A rental company also may impose an additional charge based on reasonable age criteria established by the rental company.

(3) A rental company shall not charge a fee for authorized drivers in addition to the rental charge for an individual renter.

(4) If a rental company states a rental rate in print advertisement or in a telephonic, in-person, or computer-transmitted quotation, the rental company

shall disclose clearly in that advertisement or quotation the terms of mileage conditions relating to the advertised or quoted rental rate, including, but not limited to, to the extent applicable, the amount of mileage and gas charges, the number of miles for which no charges will be imposed, and a description of geographic driving limitations within the United States and Canada.

(5) (A) When a rental rate is stated in an advertisement, quotation, or reservation in connection with a car rental at an airport where a customer facility charge is imposed, the rental company shall disclose clearly the existence and amount of the customer facility charge. For purposes of this subparagraph, advertisements include radio, television, other electronic media, and print advertisements. For purposes of this subparagraph, quotations and reservations include those that are telephonic, in-person, and computer-transmitted. If the rate advertisement is intended to include transactions at more than one airport imposing a customer facility charge, a range of fees may be stated in the advertisement. However, all rate advertisements that include car rentals at airport destinations shall clearly and conspicuously include a toll-free telephone number whereby a customer can be told the specific amount of the customer facility charge to which the customer will be obligated.

(B) If a person or entity other than a rental car company, including a passenger carrier or a seller of travel services, advertises or quotes a rate for a car rental at an airport where a customer facility charge is imposed, that person or entity shall, provided that he, she, or it is provided with information about the existence and amount of the fee, to the extent not specifically prohibited by federal law, clearly disclose the existence and amount of the fee in any telephonic, in-person, or computer-transmitted quotation at the time of making an initial quotation of a rental rate and at the time of making a reservation of a rental car. If a rental car company provides the person or entity with rate and customer facility charge information, the rental car company is not responsible for the failure of that person or entity to comply with this subparagraph when quoting or confirming a rate to a third person or entity.

(6) If a rental company delivers a vehicle to a renter at a location other than the location where the rental company normally carries on its business, the rental company shall not charge the renter an amount for the rental for the period before the delivery of the vehicle. If a rental company picks up a rented vehicle from a renter at a location other than the location where the rental company normally carries on its business, the rental company shall not charge the renter an amount for the rental for the period after the renter notifies the rental company to pick up the vehicle.

(o) A rental company shall not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using electronic surveillance technology, except in the following circumstances:

(1) (A) When the equipment is used by the rental company only for the purpose of locating a stolen, abandoned, or missing rental vehicle after one of the following:

(i) The renter or law enforcement has informed the rental company that the vehicle has been stolen, abandoned, or missing.

(ii) The rental vehicle has not been returned following one week after the contracted return date, or by one week following the end of an extension of that return date.

(iii) The rental company discovers the rental vehicle has been stolen or abandoned, and, if stolen, it shall report the vehicle stolen to law enforcement by filing a stolen vehicle report, unless law enforcement has already informed the rental company that the vehicle has been stolen, abandoned, or is missing.

(B) If electronic surveillance technology is activated pursuant to subparagraph (A), a rental company shall maintain a record, in either electronic or written form, of information relevant to the activation of that technology. That information shall include the rental agreement, including the return date, and the date and time the electronic surveillance technology was activated. The record shall also include, if relevant, a record of written or other communication with the renter, including communications regarding extensions of the rental, police reports, or other written communication with law enforcement officials. The record shall be maintained for a period of at least 12 months from the time the record is created and shall be made available upon the renter's request. The rental company shall maintain and furnish explanatory codes necessary to read the record. A rental company shall not be required to maintain a record if electronic surveillance technology is activated to recover a rental vehicle that is stolen or missing at a time other than during a rental period.

(2) In response to a specific request from law enforcement pursuant to a subpoena or search warrant.

(3) This subdivision does not prohibit a rental company from equipping rental vehicles with GPS-based technology that provides navigation assistance to the occupants of the rental vehicle, if the rental company does not use, access, or obtain information relating to the renter's use of the rental vehicle that was obtained using that technology, except for the purposes of discovering or repairing a defect in the technology and the information may then be used only for that purpose.

(4) This subdivision does not prohibit a rental company from equipping rental vehicles with electronic surveillance technology that allows for the remote locking or unlocking of the vehicle at the request of the renter, if the rental company does not use, access, or obtain information relating to the renter's use of the rental vehicle that was obtained using that technology, except as necessary to lock or unlock the vehicle.

(5) This subdivision does not prohibit a rental company from equipping rental vehicles with electronic surveillance technology that allows the company to provide roadside assistance, such as towing, flat tire, or fuel services, at the request of the renter, if the rental company does not use, access, or obtain information relating to the renter's use of the rental vehicle that was obtained using that technology except as necessary to provide the requested roadside assistance.

(6) This subdivision does not prohibit a rental company from obtaining, accessing, or using information from electronic surveillance technology for the sole purpose of determining the date and time the vehicle is returned to the rental company, and the total mileage driven and the vehicle fuel level of the returned vehicle. This paragraph, however, shall apply only after the renter has returned the vehicle to the rental company, and the information shall only be used for the purpose described in this paragraph.

(p) A rental company shall not use electronic surveillance technology to track a renter in order to impose fines or surcharges relating to the renter's use of the rental vehicle.

(q) A renter may bring an action against a rental company for the recovery of damages and appropriate equitable relief for a violation of this section. The prevailing party shall be entitled to recover reasonable attorney's fees and costs.

(r) A rental company that brings an action against a renter for loss due to theft of the vehicle shall bring the action in the county in which the renter resides or, if the renter is not a resident of this state, in the jurisdiction in which the renter resides.

(s) A waiver of any of the provisions of this section shall be void and unenforceable as contrary to public policy.

(t) (1) A rental company's disclosure requirements shall be satisfied for renters who are enrolled in the rental company's membership program if all of the following conditions are met:

(A) Prior to the enrollee's first rental as a participant in the program, the renter receives, in writing, the following:

(i) All of the disclosures required by paragraph (1) of subdivision (g), including the terms and conditions of the rental agreement then in effect.

(ii) An Internet Web site address, as well as a contact number or address, where the enrollee can learn of changes to the rental agreement or to the laws of this state governing rental agreements since the effective date of the rental company's most recent restatement of the rental agreement and distribution of that restatement to its members.

(B) At the commencement of each rental period, the renter is provided, on the rental record or the folder in which it is inserted, with a printed notice stating that he or she had either previously selected or declined an optional damage waiver and that the renter has the right to change preferences.

(C) At the commencement of each rental period, the rental company provides, on the rearview mirror, a hanger on which a statement is printed, in a box, in at least 12-point boldface type, notifying the renter that the collision damage waiver offered by the rental company may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance. If it is not feasible to hang the statement from the rearview mirror, it shall be hung from the steering wheel.

The hanger shall provide the renter a box to initial if he or she (not his or her employer) has previously accepted or declined the collision damage waiver and that he or she now wishes to change his or her decision to accept or decline the collision damage waiver, as follows:

“☐ If I previously accepted the collision damage waiver, I now decline it.

☐ If I previously declined the collision damage waiver, I now accept it.”

The hanger shall also provide a box for the enrollee to indicate whether this change applies to this rental transaction only or to all future rental transactions. The hanger shall also notify the renter that he or she may make that change, prior to leaving the lot, by returning the form to an employee designated to receive the form who is present at the lot where the renter takes possession of the car, to receive any change in the rental agreement from the renter.

(2) (A) This subdivision is not effective unless the employee designated pursuant to subparagraph (E) of paragraph (8) of subdivision (a) is actually present at the required location.

(B) This subdivision does not relieve the rental company from the disclosures required to be made within the text of a contract or holder in which the contract is placed; in or on an advertisement containing a rental rate; or in a telephonic, in-person, or computer-transmitted quotation or reservation.

(u) The amendments made to this section during the 2001–02 Regular Session of the Legislature do not affect litigation pending on or before January 1, 2003, alleging a violation of Section 22325 of the Business and Professions Code as it read at the time the action was commenced.

SEC. 2. Section 170010 of the Public Utilities Code is amended to read:

170010. (a) The board of directors shall consist of nine members, appointed as follows:

(1) The Mayor of the City of San Diego shall appoint three persons, two of whom shall be subject to confirmation by the City Council of the City of San Diego. The persons appointed pursuant to this paragraph shall be residents of the City of San Diego and not less than one shall be an elected official of the City of San Diego. For purposes of this subdivision, an “elected official of the City of San Diego” means the Mayor and members of the City Council of the City of San Diego.

(2) The Chair of the Board of Supervisors of the County of San Diego shall appoint two persons, subject to confirmation by the Board of Supervisors of the County of San Diego. The persons appointed pursuant to this paragraph shall be residents of the County of San Diego and not less than one shall be a member of the Board of Supervisors of the County of San Diego.

(3) At a meeting of the city selection committee, the mayors of the east county cities shall appoint one person. The person appointed pursuant to this paragraph shall be a member of a city council of one of the east county cities or a resident of one of the east county cities.

(4) At a meeting of the city selection committee, the mayors of the north county coastal cities shall appoint one person. The person appointed pursuant to this paragraph shall be a member of a city council of one of the north county coastal cities or a resident of one of the north county coastal cities.

(5) At a meeting of the city selection committee, the mayors of the north county inland cities shall appoint one person. The person appointed pursuant to this paragraph shall be a member of a city council of one of the north county inland cities or a resident of one of the north county inland cities.

(6) At a meeting of the city selection committee, the mayors of the south county cities shall appoint one person. The person appointed pursuant to this paragraph shall be a member of a city council of one of the south county cities or a resident of one of the south county cities.

(7) Meetings of a city selection committee are subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

(b) The following persons shall be nonvoting, noncompensated, ex officio members of the board of directors, appointed by the Governor:

(1) The District Director of the Department of Transportation for the San Diego region.

(2) The Department of Finance representative on the State Lands Commission.

(c) The board of directors may provide for additional nonvoting, noncompensated members of the board of directors, including representatives of the United States Navy and the United States Marine Corps, each of whom may appoint an alternate to serve in his or her place.

(d) The Mayor of the City of San Diego shall appoint the chair of the authority board from among the members of the board of directors.

(e) To provide for an orderly transition, the appointments to the board of directors shall take effect as follows:

(1) The term of office for the board position appointed by the Mayor of the City of San Diego, whose term is set to expire on the first Monday in December 2008, is extended until January 31, 2009. This board position shall thereafter be filled pursuant to paragraph (1) of subdivision (a), and shall be the position that is not subject to confirmation by the City Council of the City of San Diego.

(2) The term of office for the board position appointed by the mayors of the north county inland cities is extended until January 31, 2009. This board position shall thereafter be filled pursuant to paragraph (5) of subdivision (a).

(3) The term of office for the board position appointed by the mayor of the most populous city as of the most recent decennial census, among the south county cities is extended until January 31, 2009. This board position shall thereafter be filled pursuant to paragraph (6) of subdivision (a).

(4) The term of office for the board position occupied by the Mayor of the City of San Diego, or a member of the city council designated by the mayor to be his or her alternate, shall expire on January 31, 2010. This board position shall thereafter be filled pursuant to paragraph (1) of subdivision (a).

(5) The term of office for the board position appointed by the mayors of the east county cities shall expire on January 31, 2010. This board position shall thereafter be filled pursuant to paragraph (3) of subdivision (a).

(6) The term of office for the board position appointed by the Sheriff of the County of San Diego shall expire on January 31, 2010. This board position shall thereafter be filled pursuant to paragraph (2) of subdivision (a).

(7) The term of office for the board position appointed by the Mayor of the City of San Diego as a member of the executive committee is extended until January 31, 2011. This board position shall thereafter be filled pursuant to paragraph (1) of subdivision (a).

(8) The term of office for the board position appointed by the Governor is extended until June 30, 2011. This board position shall thereafter be filled pursuant to paragraph (2) of subdivision (a), with the expiration of the initial appointment for this board position expiring on the first Monday in February 2014.

(9) The term of office for the board position appointed by the mayors of the north county coastal cities is extended until January 31, 2011. This board position shall thereafter be filled pursuant to paragraph (4) of subdivision (a).

SEC. 3. Section 170011 of the Public Utilities Code is amended to read:

170011. (a) Except as provided in subdivision (b) and subdivision (e) of Section 170010, the term of office of a member of the board of directors appointed pursuant to subdivision (a) of Section 170010 is three years or until his or her successor qualifies and takes office whichever date occurs last. Members of the board of directors shall take office at noon on the first Monday in February following their appointment.

(b) If a member of the board of directors is appointed to be a member as a result of holding another public office and that person no longer holds that other public office, then that person shall no longer serve on the board of directors and a vacancy shall exist.

(c) Any vacancy in the office of a member of the board of directors shall be filled promptly pursuant to Section 1779 of the Government Code. Any person appointed to fill a vacant office shall serve the balance of the unexpired term. If a member of the board of directors serving a term extended pursuant to subdivision (e) of Section 170010 leaves office prior to the expiration of his or her term, the vacancy shall be filled for the balance of the unexpired term pursuant to subdivision (a) of Section 170010, except if a vacancy occurs for the Governor's appointment to the board of directors before June 30, 2011, the Governor shall make the appointment to fill the vacant office for the balance of the unexpired term.

SEC. 4. Section 170013 of the Public Utilities Code is amended to read:

170013. (a) The board of directors shall govern the authority.

(b) The board of directors shall establish policies for the operation of the authority. The board of directors shall provide for the implementation of those policies which are the responsibility of the authority's chief executive officer.

(c) All members of the board of directors shall exercise their independent judgment on behalf of the interests of the residents, property owners, and the public within San Diego County as a whole in furthering the purposes



and intent of this division. The members of the board of directors shall represent the interests of the public as a whole and not solely the interests of the local officials who appointed them to the board of directors.

(d) The board of directors shall have a three-member executive committee. The members of the executive committee shall be the following:

(1) The chair of the authority's board of directors.

(2) A member of the board of directors appointed to the executive committee by board members appointed by the Chair of the Board of Supervisors of the County of San Diego.

(3) A member of the board of directors appointed to the executive committee by board members appointed by any of the city selection committees.

(e) The board of directors shall have a seven-member audit committee. The members of the audit committee shall consist of four members of the board of directors appointed by the board and the three public members appointed pursuant to Section 170018.

SEC. 5. Section 170016 of the Public Utilities Code is amended to read:

170016. (a) The board of directors may adopt and enforce rules and regulations for the administration, maintenance, operation, and use of its facilities and services.

(b) A person who violates a rule, regulation, or ordinance adopted by the board of directors is guilty of a misdemeanor punishable pursuant to Section 19 of the Penal Code, or an infraction under the circumstances set forth in paragraph (1) or (2) of subdivision (d) of Section 17 of the Penal Code.

(c) A rule, regulation, or ordinance of the authority may be enforced in an administrative action. A civil penalty may be imposed if the administrative action results in a finding that a violation has taken place.

(d) The authority may employ necessary personnel to enforce this section.

SEC. 6. Section 170017 of the Public Utilities Code is amended to read:

170017. (a) The board of directors may provide, by ordinance or resolution, that each of its members may receive compensation in an amount not to exceed two hundred dollars (\$200) for each day of service. A member of the board of directors shall not receive compensation for more than eight days of service a month. A member of the board of directors shall not receive compensation for being present at more than one meeting, hearing, event, or training program on each day of service. A board member shall be present for at least half of the time set for the meeting, or for the duration of the meeting, whichever is less, in order to be eligible for compensation.

(b) By a two-thirds vote of the majority, the board of directors may, by ordinance or resolution, modify the amount of compensation provided pursuant to subdivision (a).

(c) The board of directors, by ordinance or resolution, may provide for the chair to receive an amount, not to exceed five hundred dollars (\$500) a month, in addition to all other compensation provided pursuant to this section.

(d) The board of directors may provide, by ordinance or resolution, that its members may receive their actual and necessary traveling and incidental

expenses incurred while on official business. Reimbursement of these expenses is subject to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, except that the provisions of this section shall prevail over the provisions of Section 53232.1 of the Government Code to the extent of any conflict.

(e) The members of the board of directors shall not receive, in compensation, any benefits permitted to be paid to members of legislative bodies pursuant to Chapter 2 (commencing with Section 53200) of Part 1 of Division 2 of Title 5 of the Government Code. This subdivision does not prohibit a member of the board of directors from electing to participate in a plan of health and welfare benefits if the costs of those benefits are paid by the board member and the authority incurs no expense other than those expenses associated with processing the application of the board member seeking the benefits.

(f) A member of the board of directors may waive any or all of the payments permitted by this section.

(g) For the purposes of this section, a “day of service” means any of the following:

(1) A meeting of the authority conducted pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

(2) Representation of the authority at a public event, if the board of directors has previously approved the member’s representation at a board of directors’ meeting and the member delivers a written report to the board of directors regarding the member’s representation at the next board of directors’ meeting following the public event.

(3) Representation of the authority at a public meeting or a public hearing conducted by another public agency, if the board of directors has previously approved the member’s representation at a board of directors’ meeting and the member delivers a written report to the board of directors regarding the member’s representation at the next board of directors’ meeting following the public meeting or public hearing.

(4) Representation of the authority at a meeting of a public benefit nonprofit corporation on whose board the authority has membership, if the board of directors has previously approved the member’s representation at a board of directors’ meeting and the member delivers a written report to the board of directors regarding the member’s representation at the next board of directors’ meeting following the corporation’s meeting.

(5) Participation in a training program on a topic that is directly related to the authority, if the board of directors has previously approved the member’s participation at a board of directors’ meeting, and the member delivers a written report to the board of directors regarding the member’s participation at the next board of directors’ meeting following the training program.

(6) Representation of the authority at an official meeting, if the board of directors has previously approved the member’s representation at a meeting of the board of directors and the member delivers a written report to the

board of directors regarding the member's representation at the next meeting of the board of directors following the official meeting.

SEC. 7. Section 170018 of the Public Utilities Code is amended to read:

170018. (a) On or before July 1, 2008, the board of directors shall expand the membership of the Audit Committee, a standing committee of the board of directors consisting of four board members, to include three members of the public who shall be voting members. The public members shall be appointed by the board of directors for three-year terms commencing July 1, 2008. To provide for staggered terms, the initial term of one of the public members shall be one year, the initial term of one of the public members shall be two years, and the initial term of one of the public members shall be three years.

(b) The board of directors shall select the three public members from among the following categories of persons, with no more than one appointee from each category at any one time:

(1) A professional with experience in the field of public finance and budgeting.

(2) An architect or civil engineer licensed to practice in this state.

(3) A professional with experience in the field of real estate or land economics.

(4) A person with experience in managing construction of large-scale public works projects.

(5) A person with public or private sector executive level decisionmaking experience.

(6) A person who resides within the airport influence area of the San Diego International Airport (Lindbergh Field).

(7) A person with experience in environmental justice as it pertains to land use.

(c) The board of directors may appoint other persons to serve as nonvoting, noncompensated, ex officio members on the Audit Committee.

(d) In appointing the public members of the Audit Committee, the board of directors shall provide for selection policies, appointment procedures, conflict-of-interest policies, length-of-term policies, and policies for providing compensation, if any.

(e) The Audit Committee shall serve as a guardian of the public trust, acting independently and charged with oversight responsibilities for reviewing the authority's internal controls, financial reporting obligations, operating efficiencies, ethical behavior, and regular attention to cashflows, capital expenditures, regulatory compliance, and operations.

(f) The Audit Committee shall meet a minimum of four times per year and shall, at a minimum, do all the following:

(1) Regularly review the authority's accounting, audit, and performance monitoring processes.

(2) At the time of contract renewal, recommend to the appropriate committee and the board of directors its nomination for an external auditor and the compensation of that auditor, and consider at least every three years,

whether there should be a rotation of the audit firm or the lead audit partner to ensure continuing auditor independence.

(3) Advise the appropriate committee and the board of directors regarding the selection of the auditor.

(4) Be responsible for oversight and monitoring of internal and external audit functions, and monitoring performance of, and internal compliance with, authority policies and procedures.

(5) Be responsible for overseeing the annual audit by the external auditors and any internal audits.

(6) Make recommendations to the full board regarding paragraphs (1) to (5), inclusive.

(g) An affirmative vote by at least five members of the Audit Committee shall be required for approval of the annual internal and external audits, including performance monitoring, the auditor's annual audit plan for each fiscal year submitted to the board for approval, and actions recommending or approving debt financing for the authority.

SEC. 8. Section 170035 is added to the Public Utilities Code, to read:

170035. The authority is a local agency for purposes of the California Disaster Assistance Act (Chapter 7.5 (commencing with Section 8680) of Division 1 of Title 1 of the Government Code).

SEC. 9. Section 170036 is added to the Public Utilities Code, to read:

170036. The authority may act as a city police department, city, local government, or public agency for the purposes of Chapter 4 (commencing with Section 2080) of Title 6 of Part 4 of Division 3 of the Civil Code.